Potential for textile exports after dismantling of multifibre agreement

*234. SHRI MANOJ BHATTACHARYA: Will the Minister of TEXTILES be pleased to state:

(a) whether Multi-Fibre Agreement is shortly going to be dismantled leading to end of quota regime;

(b) whether Government are aware that with the termination of the MFA, a vast potential export market for our handloom, powerloom and mill-made fabrics will open up *w.e.f.* 1.1.2005; and

(c) if so, the steps proposed to be taken to boost our textile sector to attain new heights in the post Multi-Fibre era?

THE MINISTER OF TEXTILES (SHRI SHANKARSINH VAGHELA): (a) and (b) As per W.TO. Agreement on Textiles & Clothing (ATC), the quota regime governing international trade in textiles and clothing would be completely phased out with effect from 1 st January 2005. The liberalised trading regime would result in increased international trade in textiles and clothing (including handloom, powerloom and mill-made fabrics) thus providing greater export opportunities; and at the same time expose the domestic industry to import penetration.

(c) To strengthen domestic textile industry for meeting the growing global competition, the following important announcements have been made in the Union Budget 2004-05:

- Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain has been given excise exemption option.
- Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.
- Basic customs duty on various textile machinery and spare parts has been reduced to 5%.

Besides, Government has been taking a number of steps from time to time to provide an enabling environment for the industry to meet the emerging global competition and thereby increase India's exports. Some of the important initiatives taken are:

(i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

(ii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures. This further encourages modernisation.

(ili) The Government has launched a centrally sponsored scheme titled "Apparel Park for Export Scheme" for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports.

(iv) For upgrading infrastructure facilities at important textile centers, a scheme "Textile Centre Infrastructure Development Scheme" (TODS) has been launched.

Allocation of funds for rural development

*235. SHRI JANARDHANA POOJARY: Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Government propose to decentralise spending on rural development by transferring funds to district and local Governments;

(b) if so, the details thereof and the reasons therefor; and

(c) the details of the funds allocated and spent during the last five years on rural development, year-wise and State-wise?

THE MINISTER OF RURAL DEVELOPMENT (DR. RAGHUVANSH PRASAD SINGH): (a) to (c) Funds for the major schemes of the Ministry of Rural Development like the Swarnjayanti Gram Swarozgar Yojana (SGSY), the Sampoorna Grameen Rozgar Yojana (SGRY), the Indira Awaas Yojana (IAY) and Watershed Development Programmes (IWDP, DPAP and DDP), [Hariyali] are directly released to the district level agencies such as District Rural Development Agency (DRDA)/ Zilla Parishad (ZP). Under the Pradhan Mantri Gram Sadak Yojana (PMGSY) funds are released to the State Level Autonomous Agencies set up by the States for receiving the funds from the Ministry who in turn make available funds to the Programme Implementation Units (PIUs) in the districts. Funds under the Swajaldhara and Total Sanitation Campaign (TSC) are directly sent to the